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Attorneys for Defendants AT&T UMBRELLA BENEFIT PLAN NO. 1  
and SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.,  
an Illinois Corporation

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

CATHE GUERRA,  
Plaintiff,  
vs.

Case No. C-07-5044CW

**JOINT CASE MANAGEMENT CONFERENCE  
STATEMENT**

AT&T UMBRELLA PLAN NO. 1; and  
SEDGWICK CLAIMS MANAGEMENT  
SERVICES INC. An Illinois Corporation.

Date: March 25, 2008  
Time 2:00 p.m.  
Courtroom: 2, 4<sup>th</sup> Floor

Defendants.

Complaint filed: October 1, 2007

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Plaintiff, CATHE GUERRA, and Defendants, AT&T UMBRELLA BENEFIT PLAN  
NO. 1 and SEDGWICK CLAIMS MANAGEMENT SERVICES INC. make this Joint Case  
Management Statement:

## 1. JURISDICTION AND SERVICE

This action arises under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et. seq. in which the court's jurisdiction is based upon 29 U.S.C. § 1132(e).

All known parties have been served and/or otherwise appeared in this action.

## 2. FACTS

Plaintiff has over 33 years of employment with SBC Advanced Solutions Inc. (“ASI”) and other SBC subsidiaries. As an employee of ASI, Plaintiff is a participant in a disability plan known as the AT&T Disability Income Program, a program under the AT&T Umbrella Benefit Plan No 1. Plaintiff filed a claim for short term disability benefits for the time period Feb. 10, 2006 to May 10, 2006. Sedgwick Claims Management Services, Inc. administered the claim. The claim was denied. Plaintiff timely filed an administrative appeal which was also denied. Plaintiff timely filed this action to enforce her rights under ERISA.

### Defendants' Position:

An abuse of discretion standard applies in this case. The Plan documents unambiguously grant discretionary authority to the Plan Administrator, which has properly delegated its authority to Sedgwick, the Claims Administrator. It is well settled where the plan vests the administrator with discretionary authority to determine eligibility of benefits, the Court must review the administrator's determinations only for an abuse of discretion. See e.g., *Taft v. Equitable Life Assurance Soc'y*, 9 F.3d 1469, 1472 (9<sup>th</sup> Cir. 1993); see also *Abatie v. Alta Health & Life Ins. Co.*, 458 F.3d 955, 963 (9<sup>th</sup> Cir. 2006). Plaintiff will also not be able to demonstrate that there is a conflict of interest warranting a heightened standard of review.

1 Further, the record is clear that Defendants decision to deny Plaintiff's claim  
2 under the Plan was reasonable. Defendants did not deny the claim without explanation; in  
3 stead they denied Plaintiff's application for short term disability (STD) benefits because the  
4 medical information submitted did not support her claim. Such a reasonable conclusion  
5 was consistent with the plain language of the plan and was made in good faith. As the  
6 administrative record is devoid of any evidence that Defendants abused their discretion in  
7 denying the claim and there is no evidence of a breach of fiduciary duty, Plaintiff can not  
8 prevail on her claim.

### 10 3. LEGAL ISSUES

- 11 1.) What scope of review the Court should employ in deciding this case.
- 12 2.) Whether and to what extent Plaintiff has a right to discovery.
- 13 3.) Whether plaintiff is entitled to benefits under the AT&T Umbrella Plan No. 1.
- 14 4.) Whether plaintiff is entitled damages and if yes, what amount.
- 15 5.) Whether plaintiff is entitled to attorneys' fees and costs and if yes, what  
16 amount.
- 17 6.) Whether plaintiff's claim for benefits was wrongfully denied.

### 19 4. MOTIONS

20 There are no pending motions. The parties anticipate filing motions for  
21 summary judgment on the merits of Plaintiff's claim for disability benefits. The parties are  
22 also in settlement talks.

### 24 5. AMENDMENT OF PLEADINGS

25 No amendments are currently anticipated.

1 **6. PRESERVATION OF EVIDENCE**

2 There is no current issue as to preservation of evidence.

3  
4 **7. DISCLOSURES**

5 Both parties are cooperating with disclosures. Initial Disclosures were made in  
6 mid-February, 2008. Copies of Documents are being made and exchanged.

7  
8 **8. DISCOVERY**

9 The parties have not commenced formal discovery because settlement  
10 discussions are proceeding. Defendants maintain that since Plaintiff seeks the Court's  
11 review of an administrative decision to deny her application for STD benefits, all facts and  
12 information are set forth in the administrative record, and as such, little or no discovery is  
13 required.

14  
15 **9. CLASS ACTION**

16 Not applicable.

17  
18 **10. RELATED CASES**

19 Not applicable.

20  
21 **11. RELIEF**

22 Plaintiff seeks \$27,987.09, plus prejudgment interest, attorneys' fees and  
23 costs. This was based on plaintiff's current salary at the time of the incident, multiplied by  
24 the number of weeks off work.

**12. SETTLEMENT/ADR**

The parties are in settlement discussions. Should ADR be necessary, the parties would agree to mediation or an early neutral evaluation conference.

Plaintiff would also agree to a magistrate settlement conference.

**13. CONSENT TO MAGISTRATE**

Defendants have already indicated they will not so consent.

**14. OTHER REFERENCES**

Not applicable.

**15. NARROWING OF THE ISSUES**

Not at this time.

**16. EXPEDITED SCHEDULE**

The parties intend to file motion(s) for summary judgment, which should dispose of the case.

**17. SCHEDULING**

Discovery cut off: Sept. 30, 2008

- Defendants contend that no additional discovery is relevant because this case is limited to the review of an administrative record. However, if discovery is permitted, Defendants agree with this cut off date.

Hearing Dispositive Motions: Nov. 30, 2008

Pretrial: Dec. 15, 2008

Trial: If the motions for summary judgment do not resolve the case, the parties request a trial date no later than January 30, 2009

### 18. TRIAL

Because this is an ERISA case, the issues must be tried to the court. The parties will present motions for summary judgment. If for any reasons the motions are both denied, the parties estimate the length of the trial will depend on the scope of trial under ERISA.

### 19. NONPARTY ENTITIES

Pursuant to Civil L.R. 3-16, Defendants certify that the following listed persons, associations of persons, firms, partnerships, corporations (including parent corporations) or other entities (i) have a financial interest in the subject matter in controversy or in a party to the proceeding, or (ii) have a non-financial interest in that subject matter or in a party that could be substantially affected by the outcome of this proceeding:

ENTITY	CONNECTION TO OR INTEREST IN CASE
AT&T Umbrella Benefit Plan, No. 1	Defendant
AT&T Inc.	Plan Administrator of Defendant AT&T Umbrella Benefit Plan No. 1.
Sedgwick Claims Management Services, Inc.	Defendant
Sedgwick CMS Holding, Inc.	Owner of Sedgwick Claims Management Services, Inc.
Fidelity Sedgwick Corporation	Owner of Sedgwick CMS Holding, Inc.
Fidelity Sedgwick Holding, Inc.	Part owner of Fidelity Sedgwick Corp.

1 Dated: March 18, 2008

ASPELIN & BRIDGMAN LLP

2  
3 /S/

4 JOHN H. ASPELIN  
Attorney for Plaintiff

5  
6 Dated: March 18, 2008

MILLER LAW GROUP  
A Professional Corporation

7  
8  
9 By: /S/

10 Katherine L. Kettler  
11 Attorneys for Defendants AT&T  
12 UMBRELLA BENEFIT PLAN NO. 1., a  
13 Delaware Corporation and SEDGWICK  
CLAIMS MANAGEMENT SERVICES, INC.,  
an Illinois Corporation